

ANALYSIS ON THE EFFECTIVENESS OF KEY ACCOUNT MANAGEMENT IMPLEMENTATION IN THE POULTRY INDUSTRI IN INDONESIA: THE KEY ACCOUNT'S POINT OF VIEW

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Abstract— Trust in supplier is very important to feed producers in Indonesian poultry industry. This study is trying to understand if the key account management is an effective approach made by the supplier and to find out the underlying principle that drives the success of the implementation. There is a positive correlation between relational behavior construct with the satisfaction level of relationship quality. This study confirms that there is a positive correlation between satisfaction level of relationships quality with supplier performance as an indicator of the effectiveness of key account management approach. The consistency of supplier firms and the key account manager on the relational behavior construct tend to increase satisfaction level of relationship quality and at the end increasing the supplier performance.

Keywords: key account management, relationship marketing, relational behaviour, business to business marketing, poultry industry

1. Introduction

Trust in supplier is very important to Indonesian feed producers. Most feed importers, many of which are larger-sized business, have three key purchasing criteria. They want to deal with trusted and service-oriented supplier which is flexible in servicing all demands; price is very important factor in their cost-benefit analysis, in which they compare suppliers and materials; they value product quality, which includes consistency, functionality, performance, and compliance with internal specifications and where necessary, regulatory requirements (Rabobank 2011). This study is being developed with the intention to help better understand if the key account management is an effective approach made by the supplier and to find out the underlying principle that drives the success of the implementation. This study is focusing on the interaction between company selling supplies to company producing feed and integrators (business to business sales), which is part of the chain of chicken meat production, processed chicken meat and live chicken.

With the changes in the industry through consolidation, new entrants and the high attractiveness of Indonesia poultry market, the competition among the suppliers are getting more competitive. Those changes has forced some companies to adopt the key account management approach with their selected customers to help promote their products, enhance the relationship level and developing highly collaborative relationship with the expectation of yielding sustainable business performance for the long term. With the escalating adoption of the key account management by suppliers in the poultry industry in Indonesia, this research wants to: (1) examine the influence of relational behaviors on the quality of key account relationship with the supplier; (2) analyze the effectiveness of key account management implementation in the poultry industry in Indonesia; and (3) develop the insight of key account management implementation on strategic business development.

The study will be conducted to answer the following research questions: (1) How the relational behaviors dedicated by supplier to their key account have an influence on the quality of key account relationship? (2) How the relationship quality has an impact in supplier performance and whether key account management is an effective approach in the Poultry Industry in Indonesia? (3) How the insight in key account management can be used for strategic business development?

Conceptual Framework

According to Workman (2003), key account management (KAM) effectiveness is defined as the extent to which account performance improves. Storbacka (2007) said that the underlying assumption is that relationship goals such as development of trust, increased information sharing, reduction of conflicts, commitment to maintain the relationship, lead to positions of advantage (Day 1994) and this in turn leads to improved performance in the market; such as revenue growth, market share, customer satisfaction, and retention of customers. Leuthesser (1997) emphasized that several relational behavior have a significant influence on relationship quality, and that in turn has a significant influence on the share of business enjoyed by suppliers.

Palmatier (2008) define relationship marketing as the process of identifying, developing, maintaining, and terminating relational exchanges with the purpose of enhancing performance. It is a strategy that attempts to establish, develop, enhance, and maintain relationship and involve people over the long-term so that they are loyal and supportive to the organization, that include three key aspects; building relationships, retaining current customers and recognizing internal and external markets (Drysedale 1999).

Relationship marketing activities likely do not affect financial performance directly but rather help build and/or maintain customer-seller relationships, which then influence customer behaviors, which in turn generate improvements in the seller's financial outcomes. Relationship marketing activities consist of dedicated relationship marketing programs, designed and implemented to build and maintain strong customer-seller relational bonds. Relational assets influence customer decisions and behaviors through four pathways: cooperation, relational loyalty, referral, and empathic behaviors. Relational assets consider as an intangible assets that generate positive financial outcomes in excess of their cost (Palmatier 2008).

Relationship quality is often believed to comprise three aspects: satisfaction, trust and commitment (Leuthesser 1997, Ivens 2007). Buyer satisfaction is defined as an affective state that results from appraisals concerning all aspect of a relationship. Hence, satisfaction judgments express how positively or negatively a past event is being interpreted (Day 1984 as cited by Ivens 2007). Buyer trust is defined as the extent to which the buyer believes the supplier can be counted on to act in its (buyer's) interests. While Ivens (2007) define trust as the willingness to rely on an exchange partner in which one has confidence.

Commitment and trust are belief to be the essential ingredient for successful long-term relationship and the most common key construct that being evaluated for predicting performance. One of important aspects of supplier performance is their share of a customer's business. A buyer who is satisfied with a supplier can be expected to allocate a higher share than that of less satisfactory suppliers (Palmatier 2008).

Guenzi (2007) stated that a relational selling strategy might be defined as a strategic approach developed by a supplier willing to establish long-term and mutually profitable relationship with some of its clients. Because of high costs and risks, a relational selling strategy is usually selectively adopted only with key accounts. Hence, key account management can be considered as a relevant context for investigating the actual implementation of such strategy.

Ivens (2007) found that supplier put more significant effort in value creating behaviors in key account relationships, on the customer side, this effort lead to increase commitment. When a company pursues a relational selling strategy, its sales force is supposed to adopt relational selling behaviors that are characterized by interaction intensity, mutual disclosure and cooperative intentions, communication and conflict handling, sales person's demonstration of competence, use of low pressure selling tactics (Guenzi 2007), solidarity, long term orientation, information exchange, relational planning (Ivens 2007).

In addition to those behaviors, Leuthesser (1997) also emphasized the important of initiating, signaling and disclosing behaviors. Initiating behavior refers to the extent to which a supplier proactively initiates efforts to better understand a buyer's needs and requirements, and helps the buyer become more competitive. Initiating behavior helps seller tailor its products, services, and programs accordingly and sends a signal to the buyer that the supplier genuinely cares about learning the buyer's and is motivated to perform in the buyer's interest.

Signaling behavior refers to the extent to which a supplier provides advance information about intended changes in its marketing programs (e.g., product design, pricing structure, billing procedures, and so on). Signaling behavior helps a buyer plan its own activities, thereby avoiding unpleasant surprises and help reduce potential conflict that can be damaging, even to hard-won relationship (Leuthesser 1997; Palmatier 2008).

Disclosing behavior refers to the extent to which a supplier is perceived to provide sensitive information about itself. Disclosure of such information potentially places supplier at risk and implies that the supplier trusts the customer to not misuse the information (Leuthesser 1997). Leuthesser (1997) highlighted that frequency has a social effect on the supplier-buyer relationship. Interaction frequency is defined as the inverse of the average time between supplier-buyer interactions. More frequent interactions are likely to lead to the processing of greater amounts of information, thereby reducing the uncertainty and ambiguity on the part of both a supplier and a buyer. In turn, a lower level of uncertainty is likely to lead to greater confidence on the part of the buyer that the supplier understands and will respond to the buyer's needs, thereby leading to a better relationship.

Relational behavior as noted earlier may be expected to vary depending on situational conditions. Those relational behavior are likely to be the most critical when the product or service is complex, buyers are unsophisticated, the environment is dynamic, intense competition and intense coordination between buyer and seller. Relationship building behaviors are likely to be more important when the relationship is relatively young (Guenzi 2007; Leuthesser 1997).

2. Methodology

The research try to identify impact of supplier relational behavior into their relationship quality with the key account and the effectiveness of key account management implementation in the Poultry Industry in Indonesia and its strategic implication as an insight. The study is based on the qualitative research through semi-structured interview among key person involved in the buying process, and an extensive literature review.

The semi-structured interview is based on the questions guide, the content of which will always be asked of respondents. Since this is not fully structured, the interviewee is allowed to go where they want with the questions, and to divert to other things which interest them. The interviews allow interviewee and interviewer to have a face to face interaction that provides another dimension to the research method. The face to face interactions introduce the concept of non-verbal communication which can emphasize certain areas, miss-lead or explain further items which would otherwise misunderstood, or left blank and so on (Greener 2008).

The questionnaire is distributed to target respondents in the Poultry Industry in Indonesia who is involve in the buying decision making process which represented the executives, nutritionist and purchasing department. Target respondents are 8 companies and 2 distributor that representing more than 80% of the market in the Poultry Industry in Indonesia.

The questionnaire was being designed to be able to answer the research questions. It was divided into 4 section: (1) Supplier targetting and account status; (2) Performance indicator; (3) Satisfaction level of relationship quality; and (4) Relational behaviors. The respondents were asked to select the most complex products base on their experience and concentrated on the quality of relationship with the key supplier who is selling this products and own the highest market share at the time of interview. This is to confirm the literature review that the key account management approach is suitable for supplier who is selling complex products and required a complex process.

To evaluate the questions used in the interviews and to test and reduce the error thereby improve the reliability of the study, the author conduct the pilot interviews. Two respondent and another two colleagues were being asked to review the questions to ensure that the questions are relevant to address the research questions and the meaning of the questions are easy to understood by the respondents. The pilot interviews proved to be very useful. Several questions were modified as a direct result of the feedback received from the pilot respondents and colleagues.

Potential respondents were called in advance to inform them regarding this study and the invite for participation. Upon having confirmation the questionnaire was mailed to them. A meeting was then set up for each of the respondents. The questionnaire was designed to ensure respondents confidence that the anonymity and the confidentiality of the survey is guarantee. It should be noted that the respondents are not assessing any one particular supplier. In the survey, based on their supplier arrangement, history and requirement related to product complexity the respondents are providing feedback on a group of suppliers.

3. Research Finding & Analysis

A. Findings

The semi-structured interview was conducted with 5 integrators, 3 feedmills and 2 major distributor representing 80% of the industry. Total invited respondents are 17 respondents, and 15 respondents are agree to participate and providing their observation and opinion. 2 respondents decided not to participate. The respondents are involved in the buying decision making process and supplier selection, represent different function in the company: nutritionist, purchasing and executives. The complexity of the products were decided when conducting pilot interview and base on respondents experience in the field. About 51% of the respondents select Feed enzyme as the most complex product. Gut health modifiers product were chosen to be the second complex products, and acidifiers and organic acids, growth promotors and anticoccidial were selected as the 3rd complex products.

Respondents answered that number of suppliers currently selling selected complex products category are at the range of 2 – 5 suppliers. The respondents from integrators and feedmills tend to purchase the products from more than 3 suppliers, this is part of company policy to secure product supply and control on pricing to stay competitive. Distributor tend to have more than 1 suppliers for the same products category, the reason is to reduce dependency to one supplier and capture more market share from the market, as well as to anticipate potential future demand from the market. Among the respondents, 67% answered that their suppliers define them as key account (KA). Another customer companies do not hold key account status and define themselves as average customers and 7% respondents do not know their status as the supplier never mentioned them as key account. Interestingly one distributor is being defined as key account by this supplier, the main reason is because this distributor is not only presence in Indonesia but also in the South East Asia region and consider as a strategic partner for this supplier.

The interviewer found that there are different treatment from supplier to customers who receive key account status and non key account status as being indicated by positive and negative responses from the respondents. Approximately 60% of customers who receive the key account status indicated positive response and agree that this supplier has demonstrated the relational behavior constructs such as initiating behavior, long term orientation, solidarity, information exchange, mutuality, signaling behavior and disclosing behavior. There are some customers, small numbers of key account and the non-key account who is not satisfy with this supplier. The negative response is due to low initiating behavior, low solidarity, low information exchange, and low mutuality behavior.

The same group of respondent who is providing positive response on the relational behaviors from this supplier are also indicated positive response on the economic and social satisfaction, trust and commitment. Therefore there are positive correlation between the manifestation of relational behaviors and the level of satisfaction on the relationship quality with the supplier. The key account group and the non key account who expressed negative responses on the relational behavior are also expressed negative response on satisfaction level of relationship quality. The respondent said that this supplier did not put sufficient effort on trying to build relationship quality as shown with low economic satisfaction, low social satisfaction and low commitment. While the non key account, seems to receive different treatment than those who receive key account status, and therefore they do not express high level of satisfaction. Distributor who is joining this survey provide the argument that the supplier tend to focus more on high pressure sales, the frequency of contact is high but do not manifest enough effort on building the relational behaviour and as a result this distributor also has low satisfaction level.

The majority of the respondents indicated that the frequency of communication; face to face meeting, written reports and telephone conversation are medium to high. And for enzyme, it seem to be relevant since the product importance is high and the meeting is highly focusing on the product related subject and trying to understand the best use of the product. Majority of the respondent are indicated medium to high level of satisfaction on the offering quality. The result suggest that relational behavior is complementary to the offering quality made by this supplier. Some of the respondents indicated relatively young relationship level in term of age with supplier sales person or key account manager (less than 2 years). The relationship with the supplier firm tends to be longer than the relationship they have with the supplier representatives. Davies (2009) provided a 5-phase model of implementation running through scoping key account management (KAM) (year 1), introducing KAM (years 2), embedding KAM (years 2-4), optimising KAM (years 4-6) and best practice KAM (years 6 and over).

From the interview, the key account who expressed the negative response is at the 3-6 years stage and less, which is according to Davies (2009), is at the introduction of KAM and driven by KAM champion, and in some organization the involvement of senior managers has asisst in the development of KAM. And the opposite situation may occur when the customers receive the key account status but the KAM champion do not demonstrate KAM behavior and lack of senior management support. Respondents also indicated that the availability of supplier who is selling similar products are available to very many available. Some respondents are considering that the products start to change become a commodity as many suppliers are also capable to produce the same products. From the interview, the key account highlighted the importance of relationship quality, and they prefer to buy from the person that they know and maintain the existing relationship. Therefore the key account management implementation can help protect from the competition.

Up to 95% of respondents indicated that product quality is very important, followed by the capability of supplier to meet the delivery of the product and the price. This is also the reason that even though many suppliers are available and offering similar product, many of respondents are worried on the quality of those suppliers' products. Therefore for the new comer, it is important to emphasize the quality of the products supported by data and product integrity and therefore develop buyer confidence on the product.

Respondent reported that the frequency of changes on product and services from customer, competitor offer and price sensitivity are low to medium. The interviewee shared their comment that as an integrator and hold significant market shares, the customers dependency are relatively high and less changes being requested by internal customers as they are within the same operation. The key integrator also tends to control the price in the market instead of getting affected. The situation seems to be different with feedmills that will be readily affected with the price changes, customer preferences and competitor offering.

There are positive correlation between relational behaviors, satisfaction level of relationship quality and supplier performance. This study found that the satisfy key account and customer tend to improve their business size with selected supplier who are performing consistent KAM behavior and deliver commitment. Respondent from integrators and feedmills reported that current business shares of this supplier is at the range 26 -35% and 36-45%, and the distributor indicated that current business share with this supplier is more than 60%. In term of number of suppliers, distributor are bind to the agreement for not selling conflicting product, however they also tend to have more than one molecule to ensure that they can capture more market share. The respondents were also asked to indicate the potential business share of this supplier in three (3) years from now.

There are the trend that some of the key account who are providing positive response on the relationship quality with this supplier are willing to increase the business share to more than 40%, even though there is a tendency that some key account are going to limit supplier business share to below than 25% with the increase acceptance of new entrants and potential adoption of new products with similar/better claim and as the organization is getting very big therefore reduce the supply risk by having more suppliers but seems to be not more than 5 suppliers. The distributors who is participating in the survey tend to reduce the business share by 10% - 20% due to the increase of the distributor business size and the decline of product attractiveness due to its life cycle and the increase acceptance of new products with new technology or innovative products.

About 53% of the respondent who is satisfy with this supplier mentioned that their purchase value was increased at the range 5-10% for 2012 compare with 2011. The growths align with the Industry growth at average 7% per annum as being reported by Rabobank (2011). The rest of the respondent mentioned even higher growth. About 60% of the respondents who is satisfy are willing to pay premium price to this supplier, even though the rest of the respondent indicated that they are not willing to pay premium price considering the current supplier business share that already in significant volume. However the level of paying premium price as indicated by 60% of the respondents is not more than 5% higher over similar product available in the market.

About 75% respondents who is satisfy are giving indication that they are willing to purchase innovative products from this supplier if the products provide acceptable return. Respondent who is currently distributing this supplier product are willing to purchase innovative product to anticipate market demand. Accepting supplier-preferred production and delivery schedule is one of the indicator of supplier performance according to Leuthesser (1997). The study indicated that 53% of the satisfy respondents are willing to adjust their buying pattern according to supplier-preferred production schedule which is an advantage for the supplier to manage their production schedule. The main reason because product option in the market is limited and even though many suppliers are selling similar product, the respondents are worried of the quality. The rest of the respondent who is not willing to follow supplier-preferred production schedule consider that it is important to keep managing the inventory as low as possible and follow the company policy.

From the five listed performance indicators, these companies (buyers) have strong ability to absorb input cost increase because of their good profitability and positive growth prospect in consuming industries like poultry and processed food. At the same time, suppliers need to be alert as there are macro economic cost pressures like wages, fuel, transportation, logistic, trade barriers and the competition pressures.

B. Analysis

1) Relational behavior constructs, satisfaction level of relationship quality and supplier financial performances

This study shows that there is correlation between relational behavior, satisfaction level on relationship quality and supplier financial performance. 50% of the satisfy respondents are indicating that this supplier business share will be increasing by 10% in the next three years, this increase having a positive correlation with the positive responses on satisfaction level on relationship quality and relational behavior construct. In addition to business share performance, the respondents with positive responses are also willing to purchase at premium price and providing the signal to purchase innovative products from this supplier.

These finding align with Jones (2009) that stated the increase of supplier performance is logical that, as commitment to supplier increases, the amount and relative percentage the customer purchases from that supplier should increase. As partners continue in a committed relationship, cross selling is likely to occur along with increased customer penetration for new products. And as both trust and commitment grow and those revenue percentages continue to increase, it is likely that profitability will eventually increase as well. And this argument also supported by Palmatier (2008) that customer-seller relationships help determines the seller's financial performance, and relationship marketing investment can pay off in both short- and long-term financial returns. Key account performance has been conceptualized as both relationship quality/effectiveness and as an objective measures such as market performance and or profitability (Jones 2009).

On the contrast, given the status as key account does not systematically lead to consistent behavior of key account management implementation from the supplier to customer. This impression was being indicated by two respondents that even though this supplier define them as key account, however selling firm and the key account managers from that firm did not performing a consistent behavior as shown by negative responses on this supplier relational behavior construct and the satisfaction level of relationship quality. And as a result these key accounts are predicting that this supplier market share will be declining in the next three years. These finding align with Guenzi (2007) that companies who is willing to establish and develop relational strategies with their strategic accounts should have their key account managers performing activities which are consistent with such strategies. Unfortunately, frequently this is not the case, because these boundary-spanners may lack the skills, competences and attitudes required to successfully create and sustain enduring relationships with customers.

For a strong supplier this data represents two types of opportunities. First if the customer is happy there is a positive opportunity for business growth. Second if the customer unhappy with the existing supplier then there is an opportunity for new account penetration. Using key account management strong supplier can benefit from both opportunities. The relationship quality not providing significant influence for the distributor to increase their business share. The distributor seeing that they need to continue maintaining product life cycle and therefore the business tend to be declined in the next three years and it is mainly due to product life cycle and they continue finding more attractive products to sustain their revenue and anticipating market demand by having new innovative products. On the other hand, this is also providing the opportunity for the supplier to introduce new innovative products with this distributor.

2) Availability of supplier

From this study, in the situation where the availability of supplier is few, even though the satisfaction level is tend to be low as indicated by negative responses, the key account are still willing to increase the business of this supplier by 10% in the next three years. However, the interviewer found that the key account commitment is also very low, as the interviewee said that they will purchase the products from other supplier who is performing better services and put the effort in building relationship quality when the product is available.

From this study, the relationship quality do not have significant influence with the supplier business share in the situation when the product importance is very high and few alternatives supplier

available. Even though the respondents (buyer) do not satisfy with the relationship quality and poor responses on this supplier, it is not affecting this supplier business share. In this situation, buyer does not have more option to select other supplier and keep using these supplier products. Leuthesser (1997) confirmed that the availability of alternative suppliers is found to be negatively related to share of business. Relationship quality is not providing significant influence when few suppliers available.

Other reason of decline business share as being indicated by key account is due to the acceptance quality of new entrants. This situation indicate an intense competition, and as being suggested by Wengler (2006), the intensity of the competition can be one of the driving factors on the decision to implementing key account management with selective accounts. One key account also indicated the importance to reduce dependency to a limited number of suppliers as the key account company is growing, they consider that it will be too risky to only depending on limited source of supply. And as the company also trying to develop the operational excellence they try to minimize the inventory level, in this situation the supplier needs to review the whole value chain.

3) Relational behavior construct, frequency and relationship age

At a young age of relationship, the relationship quality tends to be lower than those of older age, these situations are expressed from the interview results. When the key account manager could not perform the necessary relational behavior consistently the company business with this key account are tend to be declined. The frequency of interaction according to Leuthesser 1997, has a significant impact on a relatively young relationship, it will help in establishing the foundation of trust and mutual understanding on which the relationship can build. Frequency is found to have a significant influence when the product importance are relatively low and at the same it will be much more influential for buyers by the social effects of frequent interaction with this supplier. For the high product importance, buyers focus tends to be on product related factors. In general buyers also report more favorable relationships with suppliers who interact with them frequently.

4) Key account manager and the selling firm

The key account expect that the key account manager should have good interpersonal relationship skill, good business understanding and have a necessary technical background even though this is not a must but it will help to bridge between field issues or challenges and therefore he/she can play a role as an orchestrator in providing the solution for the key account and allocate the right resources as needed. These finding are consistent with Jones (2009) which contend that as companies shift toward becoming more customer-centric, key account manager must be more strategic and have more of a business and financial perspective than that used by traditional sales representatives, in fact key account managers must have skill sets 'more similar to those of general managers.

Account managers are responsible for not only selling to and servicing their best customers, but also for developing strategies to capture financial value. Palmatier (2007) addressed that relationship quality with the sales person affect the financial outcome and has a greater impact on customer share and sales growth than does the relationship quality with the selling firm. Palmatier (2007) also provide the evidence that suggest when the selling firm is more consistent, the impact of buyer-selling firm relationships increase. The role of key account manager should be clearly define as an internal facilitator bringing solutions both externally (to the key customers) and internally (to everyone who needs information about the customer and can contribute to the value creating process for the key account (Guenzi 2007).

4. Conclusion and Recommendation

C. Conclusion

Approximately 60% of the respondents reported positive responses on the relational behavior construct that consist of initiating behavior, long-term orientation, solidarity, information exchange, mutuality and signaling behavior. Those behaviors are the required behaviors need to be applied consistently by the supplier firm and their key account manager when they decide to implement the key account management strategy. This respondent who is providing positive responses on the relational behaviors construct receive the status as key account from this supplier, and the analysis result found that there is a different treatment between customers who receive the key account

status and the non key account status. To confirm the finding multiple questions were being asked to the respondents to check their satisfaction level on the relationship quality and these respondents provide positive responses on the economic and social satisfaction, and trust and commitment. Therefore it can be concluded that there is a positive correlation between relational behavior construct with the satisfaction level of relationship quality.

This conclusion are align with Leuthesser (1997) that buyers tend to be more satisfied with suppliers who make deliberate efforts to keep abreast of their buyers changing needs, provide buyers with advance information about impending changes, and are open in sharing seemingly unfavorable information about themselves. Overall, initiating, signaling and disclosing behaviors, frequency of interaction and offering quality appear to be strongly related to relationship quality. In turn, relationship quality has a positive influence on supplier share of business.

This study confirm that there is a positive correlation between satisfaction level of relationships quality with supplier performance as an indicator of the effectiveness of key account management approach. The respondent who receive the key account status and demonstrate positive responses on the satisfaction level of relationship quality provide an indication that this supplier business share will be increasing in the next three years. The same respondents also reported that they are willing to pay premium prices, purchase innovative products and accept the lead-time required by this supplier.

Therefore it can be concluded that consistency of supplier firms and the key account manager on the relational behavior construct tend to increase satisfaction level of relationship quality and at the end increasing the supplier performance in the poultry industry in Indonesia. This conclusion is consistent with Jones (2009) that key account management effectiveness (which included measures of trust and long-term relationship maintenance) was significantly, positively related to market performance, including a measure of market share.

It can be concluded that the key account management can be an used for the approach needed for the firm to be successful in the situation when the complexity of the product and the process is high. From respondents responses the complexity of the products they are currently using in the feed can be rank as follow: (1)Feed enzyme; (2) Gut health modifiers (probiotic, prebiotic, herbs, essential oils and oligosacharides); and (3) Acidifiers/organic acids and growth promotions additives and anticoccidial are at the same rank

And as a strategic implications, the supplier who is selling this type of products and selling to complex account that require intense coordination and facing high intensity of competition is suggested to adopt this approach. This approach also suitable to help the suppliers who is working toward innovation and developing common interest in a close product development with their selected account.

D. Recommendation

Based on the respondent's responses, it is important for supplier to ask for feedback from their key account to ensure that they are meeting the key account expectation and develops necessary action if improvement is required. From the study, it is appeared that the key account expect a consistent relational behaviors invested by the suppliers to better understand their needs. The unhappy key account informed that the sales respresentative from this supplier firm is only responding upon request and lack of initiative, therefore it is suggested that supplier should focus on developing consistent relational behavior to develop and improve their relationship with key account. It appears to be useful for the supplier to be:

- 1) Initiate intentional efforts to understand their customers business conditions and search for ways to help theirs customers to compete more effectively
- 2) Signal clearly and timely, any changes that might affect their customer operations or market
- 3) Proactively provide information that is beneficial for the key account

- 4) Demonstrate the attitude of mutuality
- 5) Disclose information about themselves that implies trust in the buyer
- 6) Interact more frequently with customers during the early stages of relationships when perceptions are being formed
- 7) Perform consistent relational behaviors which may contribute to the maintenance of long term relationship with key account

From this study also appear that it seem the implementation of key account management is not fully supported by the strong key account manager. This is mainly happen at the young age of relationship when key account management is at the introductory stage. Therefore it is important for the company to find a suitable candidate for the key account manager role since the job is different with traditional sales person. The company should identify the set of competences and skills key account managers should posses, select (by recruiting or promoting) the candidates that best fit these characteristics and invest in training programs to filling the major gaps between ideal and actual profiles. The other reason of failed implementation is lack of the top management involvement and lack of authorization at the level of key account manager. The top management involvement is important to support the relationship and the capability investment.

With the continuous positive growth of the poultry industry in Indonesia, the market has been very attractive for many suppliers to invest and grow the business in the country and therefore create an intense competition. As the market also being characterized with few key players with strong customer power and complex decision making process the key account management can be selected as an option for the company to be successful when selling complex products to key accounts.

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